

1 the pending sale of the Harrison Street hotel ("Harrison") for \$7,000,000 to Trading Spaces LLC,
2 and anticipated net proceeds to Debtors of approximately \$3,000,000, would happen in a very
3 short time; and, consequently, CGS would get its \$100,000 retention fee. Once Mr. Scott
4 Goodsell realized that the sale of Harrison was not happening as he expected, he literally
5 abandoned the case and left it to his new and inexperienced lawyer, Mr. William J. Healy to
6 handle the case. Unfortunately Mr. Healy did his best, however, was not able to do the "actual"
7 and "necessary" services that were required to rehabilitate debtors' case, nor was he able to do
8 "substantial contribution" to the case, other than the tasks mentioned in the Application that
9 were for "telephone conference", "prepare email correspondence", "review email" etc. etc. which
10 were mostly clerical in nature. As the result of this poor service and negligence by Mr. Scott
11 Goodsell, the estate was substantially harmed, and debtors languished in bankruptcy court
12 forced to defend themselves, with little knowledge of the system and the law. The lack of care
13 by CGS, and its failure to put the case on the right track, and its focus only on short gain at
14 the expense of the case, put Debtors in a serious harm and danger of losing everything they
15 worked for the past 30 years.

16 Once debtors realized that the case was not handled properly by Mr. Healy, they asked
17 repeatedly of Mr. Scott Goodsell, whom debtors agreed to retain, to take over and do the "actual
18 and the necessary services" he promised when he took the case. The repeated requests by
19 Debtors to Mr. Scott Goodsell fell on deaf ears. As the result, Debtors were forced to terminate
20 their relation with CGS before further damage was done to the estate.

21 **II-DEBTORS RESPONSE TO THE SPECIFIC LINE ITEMS IN THE APPLICATION**

22 1-In the Introduction section, at page 2 of the Application, CGS claimed it "took a lead role in
23 preparing, submitting,...., and represented the Debtors with regard to Debtors' sale of its main
24 asset.." That is not true. The sale of Debtors' main asset was handled by Debtors themselves, and
25 the buyer's agent. The only action taken by CGS in regard to the sale of Harrison was to monitor
26 the status of the sale by "telephone conference" and email,(as stated in CGS Application
27 exhibits) at the expense of the other major actual and necessary services of the case, ie.
28 submitting a Plan and preparing cash collateral, etc..

2- CGS claimed in its Application that it "worked extensively" with Debtors. But doing what?
That is also not true.

3-CGS claimed on page 6 of the Application that its service included preparation of monthly
operating reports. That is not a true statement. Debtors have been doing their own monthly
reports, without input from CGS, since day one of the case.

1 4-Throughout the Application, CGS used vague and general terms such as "produced
2 documentation", "communicated on various subject" "telephone conference" "strategy options"
3 etc. etc. This is babble, and indicative of CGS' padding of its statement with meaningless time
4 entries.

5 5- CGS in the "Asset Sales" section, at page 7 of the Application, stated that it "assisted debtors
6 in promoting and prosecuting" the sale of Harrison. That is false. In addition, in the same
7 section, with regard to other possible sales of Harrison, the Application states that these sales
8 "required substantial involvement by Applicant." That is not true. In addition, if one examines
9 Exhibit C of the Application, entitled Asset Sale, the activities mentioned by CGS, to quote a
10 few of them: "telephone conference", "prepare email", etc. etc., are further examples of padding
11 the bill. Further, the Harrison contract of sale was written before CGS was retained, and was
12 handled by Debtors and Mr. Mark Paton, the agent of the buyer. In addition, Mr. Healy had a
13 limited knowledge of real estate transactions to be any help, and that was the problem.

14 6- In addition, the Application is full of statements and claims that appear to be repeated, often
15 using different vocabulary to explain the same function or activity, seemingly done in order to
16 justify CGS' inflated and outrageous fee request. For example, on April 9, 2009, there is a
17 claim which stated: "prepare email correspondence to Attorney Nunes...". The same entry
18 happened on April 10, 2009 word by word. There are numerous like that throughout the exhibits.

19 **III- DAMAGE AND HARM DONE TO THE ESTATE AND DEBTORS BY CGS**

20 After CGS realized that the Harrison sale would not happen as expected, it abandoned the case
21 in substance: it failed to file a plan or move for use of cash collateral. Debtors believe, if
22 anything, that CGS owes much more to Debtors for the negligence and malpractice, and harm
23 done to the estate as the result of its failure to abide by the standard of care expected of
24 competent counsel. If CGS would have handled the case ethically and professionally and put it
25 on the right path, the Debtors may have gotten out of bankruptcy on time, and perhaps may
26 not have lost their major holdings: the Harrison, O'Keefe and Grand properties.

27 **IV-CONCLUSION**

28 **Based on the forgoing**, and the damage that CGS did, compounded by the outrage of failing
to provide any hint of a fee request after having been discharged 3 ½ years ago, it would be
grossly unfair to compensate CGS. Now, only after debtors have worked hard to propose a plan,
and have changed their position by negotiating stipulations and bringing in \$100,000 into the

1 estate, has CGS come forward with a fee request. Its reticence until now is consistent with what
2 Debtors believe was the sense of their retention: essentially a contingent fee based on the quick
3 sale of Harrison. Debtors respectfully request that the Court entirely disallow the fee request
4 by CGS.

5 Dated: June 17, 2013

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7 /s/Benyam Mulugeta
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